

July 12, 2006  
Comments of the National Association of Fleet Administrators  
Josie Sharp, Bureau of Vehicle Management  
for the Commonwealth of Pennsylvania

On behalf of the National Association of Fleet Administrators, I thank you for the opportunity to participate in today's public workshop on the Department of Energy's Proposed Alternative Compliance Waiver option for fleets subject to the vehicle acquisition requirements under sections 501 and 507(o) of the Energy Policy Act of 1992.

I am Josie Sharp, Director of the Bureau of Vehicle Management for the Commonwealth of Pennsylvania. My fleet is a State fleet and is subject to the EPAct vehicle acquisition requirements. We have a diverse fleet of approximately 16,000 vehicles consisting of compact, midsize and full-size sedans, SUVs, minivans, cargo vans, 12 & 15-passenger vans, tractors, pick-up trucks and medium and heavy-duty trucks. Approximately 50 State agencies have fleet vehicles. Of course, many agencies have similar transportation needs while others have specialized vehicle needs. This inventory does not include the PA Department of Transportation or the PA Turnpike.

NAFA is the association for professional automotive fleet management. Our 2,300 members manage fleets for a wide range of manufacturing, sales and service organizations, government entities, and public service entities (law enforcement, educational institutions, utilities, etc.), financial institutions, insurance companies, non-profit organizations and the like.

The proposed Alternative Compliance Waiver option is of interest to those NAFA Members who manage fleets for State government entities and utility companies.

First, I would like to thank DOE staff for your efforts and cooperation over the years in helping covered fleets work through their obligations. Your help and support are greatly appreciated.

EPAct has been a challenge for covered fleets. The lack of fueling infrastructure and limited availability of AFVs have made it difficult for fleets to not only meet the compliance requirements but to contribute to reducing the use of petroleum in transportation.

For example, the Commonwealth of Pennsylvania has 585 flexible fueled vehicles in the fleet, but there are only two ethanol stations in the entire state. In this case, we are in compliance with EPAct, but are not reducing our petroleum use with these vehicles.

The Alternative Compliance Option offers some real possibilities for covered fleets to achieve real, verifiable reductions in petroleum use. Although it is too early to tell how many covered fleets will take advantage of this option, it is a step in the right direction.

At a time when gasoline and diesel prices are high and the United States continues to depend on foreign oil, flexibility and options are clearly preferable to limitations and restrictions.

The proposal provides flexibility and endless possibilities. Covered fleets will have the option to consider hybrids, increase the use of biofuels, acquire medium and heavy-duty AFVs, adopt vehicle replacement policies that encourage the use of more fuel efficient vehicles, and other meaningful strategies.

## **RECOMMENDATIONS**

NAFA has two recommendations for your consideration.

1. The first recommendation is to extend the deadline for submitting a waiver request from March 31 to August 1 prior to the year for which the waiver is requested. March 31 is too early, since the vehicle manufacturers typically do not reveal product offerings and pricing for the next model year until mid-Summer. An August 1 deadline will permit a fleet to make a reasonable decision on whether to submit a waiver request.
2. The second recommendation concerns the baseline used to calculate the petroleum reduction. The proposal requires the covered fleet to include its “inventory of alternative fueled vehicles.” We recommend that this be changed to read:

“Inventory of alternative fueled vehicles acquired for EPAct compliance and included in prior Annual AFV Acquisition Report for State and Alternative Fuel Provider Fleets (Form DOE/FCVT/101).”

This modification clarifies that the “inventory” is limited to EPAct-acquired AFVs and does not include other AFVs that may be in the fleet for other purposes. For example, many covered fleets have flexible fueled E85 vehicles in use – not for EPAct compliance but because these vehicles are commonly available. If a fleet has to include these non-EPAct AFVs, it may make use of the Alternative Compliance Waiver option problematic.

This recommendation is also consistent with the statutory requirements in 42 U.S.C. 13264.

- For fuel providers, the statutory requirement is those vehicles subject to the “fuel use requirements of section 501.” Therefore, an AFV that is not covered by the fuel use requirement would not appear to be part of the inventory when calculating the petroleum reduction.
- In the case of a State entity, the statutory requirement is “the cumulative alternative fuel vehicles of the State entity given credit under section 508.” Therefore vehicles not given credit under section 508 would not appear to be part of the “inventory.”

These recommendations will enhance the Waiver option and encourage greater participation by covered fleets.

NAFA will be submitting written comments prior to the August 7 deadline.

Thank you again for your consideration and I will be glad to answer any questions you may have.